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*Info Storage
& Retrieval
(In House
System)*

April 13, 1970

Frederick P. Haas, Esq.
Vice-President
Liggett & Myers Incorporated
630 5th Avenue
New York, New York 10020

Dear Fred:

A group of industry experts has been working with me since last September and now concurs in the following findings:

If General Counsel desires to establish an "In-House" Legal Information Storage and Retrieval System which would meet the production volume capacity and overall service characteristics of the operation now contracted and supplied by Information Interscience, Incorporated of Philadelphia.

The following parameters would govern the transition:

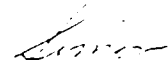
1. A capital budget of \$220,400 would be required for furniture, equipment and other non-recurring cost.
2. In order to provide a fully operational system, twelve months would be required from the date upon which a chief administrator is retained to direct the "In-House" retrieval system.
3. The operational cost of an "In-House" retrieval system during the first twelve months of normal operation have been estimated at \$895,775.

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A memorandum and exhibits detailing these conclusions are attached. You will recall that the 1970 Operating Budget for the present Retrieval System is \$700,031.

Any request for additional data is welcome. In depth data in support of these conclusions is available from the various work papers prepared in the course of the study.

Sincerely,



Simon O'Shea

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Encl: